

CHANGES TO THE STATUTES SINCE THE LAST “GREEN” LAW MANUAL

There were few changes made to the Kentucky Real Estate Commission’s statutes since the last edition of the law manual. To view a complete list of changes, logon to the Legislative Research Commission’s website at www.lrc.ky.gov/RECORD/04RS/SB244/bill.doc to see a copy Senate Bill 244. This bill became law on July 13, 2004. Below is a summary of the major changes to the statutes.

REFERRAL FEE (KRS 324.020 (4))

This statute was clarified to say that “No broker shall split fees with or compensate any person who is not licensed to perform any of the acts regulated by this chapter, except that a broker may pay a referral fee to a broker licensed outside of Kentucky for referring a client to the Kentucky broker.” The Commission has never allowed out-of-state brokers to receive any payment other than a referral fee. This statute merely clarifies longstanding Commission law.

ADVERTISING (KRS 324.117 (4))

This statute was clarified to say that whenever property is listed, the licensee must include the name of the real estate company as it appears on the license or the name of the principal broker with whom the licensee is affiliated in ALL ADVERTISEMENTS of the listed property, regardless of who places the advertisement. The only exception to this law is if the licensee is selling, renting, leasing or otherwise dealing in his or her own property. If listed property is advertised by the client or customer, the listing licensee shall provide the client or customer with written notification of the requirements of this statute and the licensee shall keep a copy of such notification.

INVESTIGATIONS (KRS 324.150 (2))

This statute was clarified to allow the Commission, while investigating violations, to compel the production of books, papers, documents, and other evidence, review evidence and enter the office or branch office of the licensee for the purpose of inspecting required documents which relate to the investigation.

UNLICENSED BROKERAGE (KRS 324.990 (1))

This statute makes a first time offense of unlicensed brokerage a Class A misdemeanor and any subsequent offenses would be a Class D felony. Licensees will not be subject to this penalty if they engage in unlicensed real estate brokerage due to failure to renew a previously valid license.

ERRORS AND OMISSIONS INSURANCE (KRS 324.395 (7))

This statute was amended to raise the maximum annual premium ceiling for errors and omissions insurance provided under the group policy for licensees from one hundred twenty-five dollars (\$125) to two hundred dollars (\$200).

